

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 231 Florida Food Banks Specialty License Plate
SPONSOR(S): Greenstein
TIED BILLS: **IDEN./SIM. BILLS:** SB 620

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Transportation		Garner	Miller
2) Finance & Tax			
3) Trans. & Econ. Dev. Apps. (Sub)			
4) Appropriations			
5)			

SUMMARY ANALYSIS

HB 231 creates the "Florida Food Banks" specialty license plate, and establishes an annual use fee of \$25, to be paid by purchasers of the plate in addition to license taxes and fees. Annual use fees are distributed to the Florida Association of Food Banks, Inc., for programs directed at ending hunger in the state.

The bill directs DHSMV to retain up to \$60,000 of the initial proceeds from the sale of the plate to cover startup costs for developing and issuing the plate. Thereafter, annual use fees are to be distributed to the association, which may use up to 25 percent for marketing its concepts and the specialty license plate. An advisory board of the Florida Association of Food Banks, Inc, consisting of a member representative from each of the association's affiliated Florida food banks shall review the distribution of the funds.

The Florida Association of Food Banks, Inc., has met all of the statutory requirements, and has been approved by DHSMV to pursue Legislative authorization of the specialty license plate.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

Reduce Government?

The bill appears to increase government in that it requires DHSMV to develop and provide for the manufacture of a new license plate, and requires county tax collectors offices to maintain an appropriate inventory and administer the new plate.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

The Florida Legislature created the first specialty license plates in 1986, one commemorating the seven astronauts who died when the space shuttle Challenger exploded after lift-off, and one for each of the nine universities then in the State University System. Since then, the Legislature has authorized seventy-eight more specialty license plates.

Specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay an annual use fee for the privilege. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to an organization or organizations in support of a particular cause or charity signified in the plate's design and designated in statute. The Legislature may create a specialty license plate under its own initiative or it can do so at the request of an organization. Under s. 320.08053, F.S., an organization may seek Legislative authorization for a new specialty license plate by meeting a number of requirements.

An organization is first required to submit to the Department of Highway Safety and Motor Vehicles (DHSMV):

- A request for the plate describing it in general terms;
- The results of a professional, independent, and scientific sample survey of Florida residents indicating that 15,000 vehicle owners intend to purchase the plate at the increased cost;
- An application fee of up to \$60,000 defraying DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates; and
- A marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements must be satisfied at least 90 days prior to the convening of the regular session of the Legislature. Once the requirements are met, DHSMV notifies the committees of the House of Representatives and Senate with jurisdiction over the issue, and the organization is free to find sponsors and pursue Legislative action.

If a proposed specialty plate fails to be enacted by the Legislature, DHSMV returns the application fee and other required documents to the organization. If it passes and becomes law, DHSMV notifies the organization, modifies its computer programming to accommodate the new plate, and requests the laminate manufacturer, 3M Company, to produce a prototype. PRIDE at Union Correctional Facility, the contracted manufacturer of license plates, laminates, embosses and roll-coats sample plates that must be submitted to FHP, the Governor, and the Cabinet for approval. Once approval is given, PRIDE begins full production of the plates and distributes them to the Tax Collectors' Offices for sale to the public.

A particular specialty license plate must be discontinued if less than 8,000 plates, including annual renewals, are issued by the end of the fifth year of sales, or during any subsequent five-year period. To date, only three plates have ever been discontinued for lack of sales. These plates are the Girl Scouts plate, the Orlando Predators plate, and the Tampa Bay Storm plate.

The Legislature has authorized 88 specialty license plates to date. Approximately 100 specialty license plates may be available for sale within the next year. Sales of specialty license plates generated more than \$24 million in annual use fee revenues in 2002, and more than \$24.5 million in 2003. Since the program's inception in 1986, the DHSMV has collected annual use fees totaling more than \$225 million.

Effect of Proposed Changes

HB 231 creates the "Florida Food Banks" specialty license plate, and establishes an annual use fee of \$25, to be paid by purchasers of the plate in addition to license taxes and fees. Annual use fees are distributed to the Florida Association of Food Banks, Inc., for programs directed at ending hunger in the state.

The bill directs DHSMV to retain up to \$60,000 of the initial proceeds from the sale of the plate to cover startup costs for developing and issuing the plate. Thereafter, annual use fees are to be distributed to the association, which may use up to 25 percent for marketing its concepts and the specialty license plate. An advisory board of the Florida Association of Food Banks, Inc, consisting of a member representative from each of the association's affiliated Florida food banks shall review the distribution of the funds.

The Florida Association of Food Banks, Inc., has met all of the statutory requirements, and has been approved by DHSMV to pursue Legislative authorization of the specialty license plate.

C. SECTION DIRECTORY:

Section 1. Amends s. 320.08056, F.S., providing an annual use fee of \$25.

Section 2. Amends s. 320.08058, F.S., creating a Florida Food Banks specialty license plate and providing for the distribution of annual use fees collected from its sale.

Section 3. Provides an effective date of July 1, 2004.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

FY 2003-04

FY 2004-05

FY 2005-06

1. Revenues:

HS Op. TF (Retained amounts + App. Fee) :	<u>\$ 120,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
2. Expenditures:			
GR (Data Proc.):	<u>\$ 7,560</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
HS Op. TF (Salaries/Bene.):	<u>\$ 15,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
(Purch. Plates):	<u>\$ 36,900</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
TOTAL:	<u>\$ 59,460</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Those persons electing to purchase a Florida Food Banks license plate would be required to pay a \$25 annual use fee in addition to the license taxes and fees that are due annually.

D. FISCAL COMMENTS:

DHSMV has already received a \$60,000 application fee from the Florida Association of Food Banks, Inc., to cover the department's initial costs of developing and issuing the new plate. However, the bill requires DHSMV to retain up to \$60,000 for this purpose. Since estimates for the cost of issuing and developing the specialty plate are only \$59,460, the bill could provide a positive fiscal impact to DHSMV of \$60,540.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

No exercise of rulemaking authority is required to implement the provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

HB 231 authorizes DHSMV to retain up to \$60,000 of annual use fees generated by the sale of the plate for the purpose of covering the costs of development and issuance. This language is unnecessary because the Florida Association of Food Banks, Inc., has submitted the \$60,000 application fee to the department. The purpose of the application fee is to cover these costs. Therefore, an amendment is recommended to remove language authorizing DHSMV to retain these funds.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES